

Senate File 301 - Introduced

SENATE FILE 301

BY DANIELSON

A BILL FOR

1 An Act relating to employer reimbursements for withholding
2 wages for support payments and garnishment.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 252D.17, subsection 1, paragraph b, Code
2 2017, is amended to read as follows:

3 b. As reimbursement for the payor's processing costs, the
4 payor may deduct a fee of no more than ~~two~~ five dollars for each
5 payment in addition to the amount withheld for support. The
6 payor of income is not required to vary the payroll cycle to
7 comply with the frequency of payment of a support order.

8 Sec. 2. Section 252D.18A, subsection 2, Code 2017, is
9 amended to read as follows:

10 2. As reimbursement for the payor's processing costs, the
11 payor may deduct a fee of no more than ~~two~~ five dollars for
12 each payment withheld in addition to the amount withheld for
13 support.

14 Sec. 3. Section 642.14B, Code 2017, is amended to read as
15 follows:

16 **642.14B Notice to defendant — employer garnishees.**

17 If the garnishment is to earnings an employer owes a
18 defendant, the employer shall deliver the notice of garnishment
19 to the defendant with the remainder of or in lieu of the
20 defendant's earnings. As reimbursement for the employer's
21 processing costs, the employer may deduct a fee of no more than
22 five dollars from the defendant's earnings for each payment in
23 addition to the amount withheld. The garnishee shall state in
24 answer to the sheriff's examination whether or not service of
25 the notice of garnishment was delivered to the defendant. The
26 notice required by [this section](#) shall contain the information
27 required by [section 642.14A, subsection 3](#), and shall be
28 delivered by personal service, mail, or electronic means.

29 Sec. 4. Section 642.21, subsection 1, unnumbered paragraph
30 1, Code 2017, is amended to read as follows:

31 The disposable earnings of an individual are exempt from
32 garnishment to the extent provided by the federal Consumer
33 Credit Protection Act, Tit. III, 15 U.S.C. §1671 – 1677
34 (1982). The maximum amount of an employee's earnings which
35 may be garnished during any one calendar year, including any

1 processing fees allowed pursuant to section 642.14B, is two
 2 hundred fifty dollars for each judgment creditor, except as
 3 provided in chapter 252D and sections 598.22, 598.23, and
 4 627.12, or when those earnings are reasonably expected to be
 5 in excess of twelve thousand dollars for that calendar year
 6 as determined from the answers taken by the sheriff or by the
 7 court pursuant to section 642.5, question number four. When
 8 the employee's earnings are reasonably expected to be more than
 9 twelve thousand dollars, the maximum amount of those earnings
 10 which may be garnished during a calendar year, including any
 11 processing fees allowed pursuant to section 642.14B, for each
 12 creditor is as follows:

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
 15 the explanation's substance by the members of the general assembly.

16 Under current law, an employer may be required to withhold a
 17 portion of an employee's wages when the employee owes an amount
 18 as a support payment, including child support, maintenance,
 19 medical support, or spousal support, or when the employer
 20 is garnished due to a judgment against the employee. As
 21 reimbursement for processing costs for support payments, an
 22 employer may withhold two dollars for each period where an
 23 amount is withheld. An employer is not allowed reimbursement
 24 for processing costs related to garnishment.

25 This bill provides that an employer may withhold five
 26 dollars from the employee's earnings for each period where an
 27 amount is withheld for support payments or garnishment. The
 28 amounts withheld are included when calculating the amount of
 29 earnings that may be withheld per year, which is subject to an
 30 annual maximum under federal law.